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EXHIBIT 1

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**SUPERIOR COURT OF ARIZONA  
MARICOPA COUNTY**

STATE OF ARIZONA, ex rel. TERRY  
GODDARD and ARIZONA HEALTH CARE  
COST CONTAINMENT SYSTEM,  
  
Plaintiffs,

v.

AMERICAN TOBACCO CO., INC.; BROWN &  
WILLIAMSON TOBACCO CORP.; LIGGETT  
& MYERS, INC.; LORILLARD TOBACCO  
CO., INC.; PHILIP MORRIS, INC.; R.J.  
REYNOLDS TOBACCO CO.; RJR NABISCO  
HOLDINGS CORP.; RJR NABISCO, INC.;  
UNITED STATES TOBACCO CO.; B.A.T.  
INDUSTRIES,

Defendants.

No. CV1996-014769

**ORDER AND RULE 54(b) FINAL  
JUDGMENT COMPELLING  
ARBITRATION**

(Assigned to the Honorable Timothy  
J. Ryan)

1 **I. MOTION TO COMPEL ARBITRATION**

2 This matter having come before the Court by Application and Motion of the Original  
3 Participating Manufacturers to Enforce the Arbitration Provisions of the Master Settlement  
4 Agreement and Compel Arbitration as filed by Defendants Philip Morris USA Inc., R.J.  
5 Reynolds Tobacco Company, and Lorillard Tobacco Company, and by the Joinder in that  
6 Application and Motion filed by Subsequent Participating Manufacturers Liggett Group LLC,  
7 Commonwealth Brands, Inc., Compania Industrial de Tabacos Monte Paz, S.A., Daughters &  
8 Ryan, Inc., Farmers Tobacco Company of Cynthiana, Inc., House of Prince A/S, Japan  
9 Tobacco International U.S.A., Inc., King Maker Marketing, Inc., Kretek International, Inc.,  
10 Liberty Brands, LLC, Peter Stokkebye Tobaksfabrik A/S, P.T. Djarum, Santa Fe Natural  
11 Tobacco Company, Inc., Sherman's 1400 Broadway N.Y.C., Inc., Top Tobacco, L.P., Vibo  
12 Corporation d/b/a General Tobacco, Virginia Carolina Corporation, Inc., and Von Eicken  
13 Group, the Court having reviewed all papers submitted by the parties and heard oral argument,  
14 and for good cause appearing,

15 **IT IS HEREBY ORDERED** granting the Motion in its entirety and compelling  
16 arbitration of the matter for the reasons set forth in this Court's minute entry order dated  
17 January 24, 2007.

18 **II. MOTION FOR ENTRY OF FINAL JUDGMENT**

19 The Court, having considered Plaintiff State of Arizona's Combined Motion to Certify  
20 and Enter Order Compelling Arbitration as Rule 54(b) Final Judgment and For Stay of Order  
21 Compelling Arbitration, and for good cause appearing,

22 **IT IS HEREBY ORDERED, ADJUDGED DECREED** as follows:

23 1. The Court having found that there is no just reason for delay, expressly directs  
24 that this Order and Rule 54(b) Final Judgment Compelling Arbitration be entered at this time  
25 as a Final Judgment.  
26

2. A dispute as to whether Arizona diligently enforced its Qualifying Statute throughout 2003 is stayed from proceeding to arbitration pending the resolution of any appeal by the State of Arizona of this Rule 54(b) Final Judgment Compelling Arbitration.

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Judge of the Superior Court

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Denied

Signed on this day, February 22, 2007



/S/ Timothy Ryan  
Judicial Officer of Superior Court